STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0005 (916) 319-2005 FAX (916) 319-2105

E-MAIL assemblymember.cox@assembly.ca.gov

Assembly California Hegislature



DISTRICT OFFICE 4811 CHIPPENDALE DRIVE SUITE 501 SACRAMENTO, CA 95841 (916) 349-1995 FAX (916) 349-1999

WEBSITE http://www.assembly.ca.gov/cox

August 5, 2004

California Energy Commission Docket Unit, MS-4 1516 Ninth Street Sacramento, California 95814

RE: Docket Number: 03-IEP-01 2005 Energy Report Scope

Dear Commissioners:

The undersigned formally request that the California Energy Commission (CEC) include information in its 2005 Integrated Energy Policy Report regarding the impact of Project Labor Agreements and labor disputes on energy infrastructure development in California, particularly in cases where regulatory delays result from actions taken by formal intervenors.

Government documents and media reports indicate that California Unions for Reliable Energy (CURE), representing various construction labor unions, has compelled developers of power plants to negotiate and implement Project Labor Agreements (PLAs) by threatening environmental litigation or extended regulatory process at the CEC. In addition, construction unions have attempted to manipulate the permitting process at the state and local level to delay energy infrastructure projects until developers sign PLAs.

PLAs are exclusive union-only agreements that ensure that all the construction performed on any given project will be performed by members of a particular union. CURE also uses the threat of extended litigation and voluminous requests for environmental data to extend the coverage of the PLA's into permanent union control of maintenance and operational work at the power plant. The threat to actively intervene in the permitting process has come to be called "greenmail."

An alarming description of CURE's practices recently appeared in an official report prepared by the staff of Roseville Electric, a municipal utility currently seeking approval to build a 160-megawatt power plant north of Sacramento. In the July 12, 2004 communication to the Roseville City Council, Roseville Electric Staff indicated the following:

"An organization called California Unions for Reliable Energy (CURE) has in the past intervened on most power projects in the CEC process. On those projects that agree to a PLA and the related other agreements, CURE's involvement has been light and supportive. On those projects that do not sign PLAs, CURE's involvement has been heavy and adverse to the interests of the project sponsor. CURE is the only intervenor on the [Roseville Energy Park] permit before the CEC and is in position to adversely influence the REP under the CEC permitting process."

Legislation proposed earlier this year - Assembly Bill 2497 by Assemblyman Dave Cox - would have required Energy Commission staff to document the impact of labor disputes and project labor agreements on power plant licensing.

We respectfully request that the Energy Commission include this gross abuse of the Energy

Commission's "intervenor" and licensing processes in the 2005 Integrated Energy Policy Report. Sincerely,

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Signatories (in order of appearance):

Dave Cox, 5th District Tim Leslie, 4th District Guy Houston, 15th District John Benoit, 64th District Tony Strickland, 37th District George Plescia, 75th District Russ Bogh, 65th District Sharon Runner, 36th District Bill Maze, 34th District Alan Nakanishi, 10th District Shirley Horton, 78th District Todd Spitzer, 71st District Bob Dutton, 63rd District Dave Cogdill, 25th District Jay LaSuer, 77th District Doug LaMalfa, 2nd District Robert Pacheco, 60th District John Campbell, 70th District Ray Haynes, 66th District Patricia Bates, 73rd District Greg Agazarian, 26th District Tom Harmon, 67th District Mark Wyland, 74th District Dennis Mountjoy, 59th District Lynn Daucher, 72nd District Kevin McCarthy, 32nd District